



**VOLUME 50**

**February / March 2005**

**NUMBER 1**

## **WE'RE MOVING!**

The South Dakota Real Estate Commission will be moving to its new office sometime in March. Mailing address updates will be posted on the SDREC website as soon as the move has been completed.

## **MARK YOUR CALENDARS! SOUTH DAKOTA REAL ESTATE COMMISSION EDUCATIONAL CARAVAN – SPRING 2005**

**Pierre - Ramkota – April 20th**  
**Rapid City - Ramkota – April 21<sup>st</sup>**  
**Lead – Golden Hills Inn – April 22<sup>nd</sup>**  
**Sioux Falls - Ramkota – April 26<sup>th</sup> and 27<sup>th</sup>**  
**Watertown - Ramkota – April 28<sup>th</sup>**  
**Aberdeen – Ramada – April 29<sup>th</sup>**

**Instructor: Lynn Madison**

**Course: Agency (with emphasis on Appointed Agencies) - 6 required hours**

**Registration Fee: \$50.00 (including cookies during morning break)**

**Class begins at 9:00 a.m. (Walk in registration begins at 8:15 a.m.)**

**For access assistance, handicapped persons may call the Commissions office at (605) 773-3600**

**Pre-registration is required to guarantee admission. Failure to register may prohibit your attendance if the class is full. The Commission will retain \$10 of any refunded registration fee. Please complete and mail the registration form below along with the registration fee to the S.D. Real Estate Commission at 425 East Capitol, Pierre SD 57501. Registration deadline is 5 days prior to each session.**

✂ -----

Name \_\_\_\_\_ License Number and Type \_\_\_\_\_

(Mailing Address) \_\_\_\_\_ (City) \_\_\_\_\_ (State) \_\_\_\_\_ (Zipcode) \_\_\_\_\_ (Phone) \_\_\_\_\_

Please check which you would like to attend.

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Pierre – April 20 <sup>th</sup>      | <input type="checkbox"/> Rapid City – April 21 <sup>st</sup>  | <input type="checkbox"/> Lead – April 22 <sup>nd</sup>      |
| <input type="checkbox"/> Sioux Falls – April 26 <sup>th</sup> | <input type="checkbox"/> Sioux Falls – April 27 <sup>th</sup> | <input type="checkbox"/> Watertown – April 28 <sup>th</sup> |
| <input type="checkbox"/> Aberdeen – April 29 <sup>th</sup>    |   |   |

## From the Directors Desk

The 80th Session of the South Dakota Legislature is now in session.



Several bills affecting the real estate industry have come up before the Senate and the House of Representatives. Of interest are Senate Bills 82 and 83 sponsored by the South Dakota

Association of REALTORS®. SB 82 has been dubbed the "Appointed Agency Bill" and will allow the option for a responsible broker to appoint associates within his/her firm to represent their respective clients. As of this writing, the bill has sailed through the Senate and is waiting to be heard in the House Appropriations Committee. If passed, administrative rules will have to be developed. Therefore, I would appreciate hearing from some of you with questions or circumstances which might arise in an appointed agency relationship that may need to be addressed in the administrative rules. SB 83 revises the Seller's Property Condition Disclosure Statement. Items added to this form are the disclosure of mold and the prior manufacturing of methamphetamines. The implementation of these disclosures into the existing form eliminates the need for the separate mold form (if used) and the meth form. Other bills that may be of interest are HB 1002 (revises requirements for determining whether dwellings are eligible to be classified as owner-occupied single-family dwellings), HB 1122 (allows agents for property owners to make certain deductions from gross receipts) HB 1141/SB 128 (revise certain provisions on how real property sales are used to assess real property and to lower the general fund levies of school districts), HB 1212 (revises 36-21A-14 to reduce the term of a Real Estate Commission member to three years with a term limit of three consecutive full

terms), and HB 1256 (creates the regulation of residential contractors).

January 1st marked a milestone in the history of the Real Estate Commission. As of that date, we officially completed the upgrades of active resident salespersons to broker associates. Although this task took two years to accomplish, the transition went smoother than expected. The Commission greatly appreciates the cooperation of all licensees involved.

We implemented a new renewal procedure whereby responsible brokers were sent packets containing the renewal forms for their associates. There were a few brokers who failed to get these materials to their associates and several licensees waiting too long to obtain their continuing education. Other than that, renewals went as smooth as expected, considering we were short staffed.

Speaking of which, I would like to take this opportunity to welcome Karen Callahan to the Commission staff. Karen has taken on the duties of the director of education which has been vacant since November. She comes to us from the SD Department of Social Services and before that, the SD Board of Dentistry. The experience and knowledge she gained with the Board of Dentistry has allowed her to jump in with both feet! The Spring Caravan will be her debut, so please come and meet her.

With the legislature in session and February being the month we celebrate Washington's and Lincoln's birthdays, I thought it would be a good time to remind you of a couple of their famous quotes and reflect on what they said. George Washington said, "As mankind becomes more liberal, they will be more apt to allow that all those who conduct themselves as worthy members of the community are equally entitled to the protections of civil government. I hope ever to see America among the foremost of justice and liberality." And Lincoln, delivering his famous Gettysburg address said, "this government of the people, by the people, for the people, shall not perish from the earth."

*DjN*

## Disciplinary Action

**Valeree Perlick, Rapid City, Residential Rental Agent.** Findings of Fact, Conclusions of Law, and Order that Ms. Perlick violated 36-21A-71(5), 36-21A-71(15) and 36-21A-71(32) by forging checks and depositing them into her account. She failed to account for monies which she received on behalf of the owners. Ordered that Ms. Perlick's license be revoked, that she be assessed a penalty of \$2,500, and that she reimburse the Commission costs in the amount of \$2,460.79. In addition to the formal action by the Commission, the Seventh Circuit Court sentenced Ms. Perlick to 5 years in prison and ordered to pay restitution of \$84,567.25.

### *South Dakota Real Estate VIEW*

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#### **THE COMMISSION AND STAFF**

Loren Anderson, Chairman..... Yankton  
Charles Larkin, Vice-Chair ..... Watertown  
Brian Jackson, Member..... Sioux Falls  
Eileen Fischer, Member ..... Pierre  
Dennis Eischach, Member ..... Pierre  
Dee Jones Noordermeer,  
Executive Director ..... Pierre  
Karen Callahan,  
Education Director..... Pierre  
Norma Schilling, Licensing ..... Pierre  
Nancy Peck, Auditor ..... Pierre  
Tim Buseman, Auditor..... Sioux Falls

Articles by outside experts express the author's particular viewpoints. These opinions are not necessarily shared by the Commission, nor should they be mistaken for official policy. The articles are included because they may be of interest to the readers.

## HUD Announces Higher FHA Home Loan Limits To Help More American Families Become Homeowners

WASHINGTON - Housing and Urban Development Secretary Alphonso Jackson today announced that the Federal Housing Administration (FHA) has increased its single-family home mortgage limits by more than seven percent.

Effective January 1, 2005, FHA will insure single-family home mortgages up to **\$172,632** in low cost areas and up to **\$312,895** in high cost areas. The loan limits for two-, three- and four-unit dwellings also increased. The FHA is sending letters to thousands of mortgage lenders and brokers to make them aware of the higher rates that can help families.

"These higher loan limits will help the FHA mortgage insurance program keep pace with the strong housing market while contributing to the Bush Administration's commitment to create 5.5 million new minority homeowners by the end of the decade," said Jackson. "The new limits will help create more construction, more jobs, and more economic growth, while increasing homeownership."

Last year, the loan limits were \$160,176 in low cost areas and \$290,319 in high cost areas. Five years ago, the limits ranged from just \$121,296 to \$219,849. These levels were below the cost of many homes in many communities. As a result, families who needed FHA mortgage insurance to qualify to buy a home were effectively locked out of the process.

Low-income and first time homebuyers are attracted to FHA-insured loans because the agency requires only a three-percent down payment.

The new loan limits are part of an annual adjustment HUD makes to account for rising home prices. Under federal law, loan limits are tied to the conforming loan limits of Freddie Mac and Fannie Mae, federally chartered corporations that buy and package mortgages.

Higher FHA loan limits don't cost the government any money, because the FHA Insurance Fund is fully supported by

premiums paid by borrowers who receive FHA insurance.

The increases will also benefit senior citizens who qualify for FHA-insured reverse mortgages. Reverse mortgages allow homeowners age 62 and older to borrow against the value of their homes without selling them. Homeowners can select a lump-sum payment, monthly payments or tap into a line of credit. No repayment is required as long as a homeowner lives in a home with a reverse mortgage. The reverse mortgage is repaid, with interest, when a homeowner sells the home or dies.

HUD is the nation's housing agency committed to increasing homeownership, particularly among minorities; creating affordable housing opportunities for low-income Americans; and supporting the homeless, elderly, people with disabilities and people living with AIDS. The Department also promotes economic and community development as well as enforces the nation's fair housing laws. More information about HUD and its programs is available on the Internet at [www.hud.gov](http://www.hud.gov) and [espanol.hud.gov](http://espanol.hud.gov).

NOTE: Complete schedule of FHA mortgage limits for all areas is available on the HUD Website.

## Title Insurers May Be Hit By RESPA Investigation

(CHICAGO) – Fitch Ratings, which rates title insurance companies, is reporting the Colorado Department of Insurance is getting ready to sanction nine title insurance companies controlled by home builders for allegedly paying the builders for sending them business.

Fitch said it also believes similar investigations are underway in California, Washington and other states.

In Colorado, Fitch said builders were directing business to title insurance companies that they owned, which in turn were kicking money back to the builders, in apparent violation of Real Estate Settlement and Procedures Act.

Under RESPA, it is illegal to pay referral fees to obtain title insurance business.

## A Letter From the Chairman



The chili-oyster feed in Pierre is always popular with legislators and this last one was no exception. It's always a good place to meet informally

with friends and legislators. Al Johnson from Sioux Falls took the time to tell me he has used a phrase I had written in the last newsletter. He indicated that he used the phrase "professionally-crafted transaction" in a recent course. Readers may recall that I was describing a transaction event in which the buyer and seller were totally pleased with their agents' results and conduct. By the way, I have attended a caravan conducted by Al Johnson and was impressed with his presentation.

This chance meeting with Al caused me to again think about the phrase "professionally-crafted transaction" and the relationship to several of the complaints that have come before the Real Estate Commission. I have lost count of the times that a Commissioner has said after a hearing, "If only the agents would have kept the lines of communication open, we wouldn't have seen this complaint". Even many investigative reports indicate a severe break-down or lack of communication between agents, as well as between the agents and their sellers and buyers. Obviously, one doesn't get to a "professionally-crafted transaction" if effective communication is not present.

Finally, even if we are attempting to communicate, it may be wise to apply Murphy's Law of Communication (I don't know if there is one) – "If anything about your message can be misunderstood, it will be". This leads me to remind us to back up our oral communications in writing.

*Loren Anderson,  
Chairman*

# New Licensees

## Brokers/Broker Associates:

Aadland, Richard L - N. Sioux City  
Alderson, Nicholas A - Rapid City  
Allen, Kathy O - Sioux Falls  
Ammon, Gregory D - Dell Rapids  
Ammon, Jeannie G - Dell Rapids  
Andersen, Jane R - Dell Rapids  
Anderson, Duane - Sioux Falls  
Anderson, Gabriel T - Sioux Falls  
Andrews, Loraine F - Rapid City  
Andrews, Mary A - Big Stone City  
Antonen, Brent L - Sioux Falls  
Baker, Barbara R - Rapid City  
Barker, C. Deane - Sioux Falls  
Barthel, Travis L - Watertown  
Beck, Richard E - Sioux Falls  
Beckett, Tember D - Miller  
Begeman, Terry L - Rapid City  
Begeman, Tim - Madison  
Bergjord, Brian M - Flandreau  
Boes, Lillian T - Hermosa  
Boke, Dana M - Spearfish  
Boldt, Kimberly S - Sioux Falls  
Boon, Kyiah A - Rock Rapids, IA  
Bozied, Tom D - Brookings  
Brazell, Alene K - Hermosa  
Breuer, Elizabeth M - Sioux Falls  
Brobjorg, Deborah L - Dell Rapids  
Brown, Sandy R - Sioux Falls  
Burgard, Robin A - Sioux Falls  
Burshek, Jan M - Spearfish  
Buse, Rachel - Sioux Falls  
Buysman, Steve J - Sioux Falls  
Buysse, Patricia K - Brandon  
Chandler, Rick M - Rapid City  
Charles, Amy L - Aberdeen  
Chase, Shirley M - Huron  
Chocholousek, David S - Gregory  
Christensen, Eugene D - Kadoka  
Cihak, Shelby L - Spearfish  
Coburn, Rebecca L - Sioux Falls  
Conrad, Danelle R - Rapid City  
Cook, Barbara J - Huron  
Costello, III, Tom - Sioux Falls  
Covey, Dawn E - Hamill  
Crawford, Kimberly J - Hot Springs  
Creasey, Lisa L - Geddes  
Crisp, Courtney M - Dell Rapids  
Crowe, Joel - Sioux Falls  
Daily, Daniel R - Sioux Falls  
Daniels, Gladys G - Sioux Falls  
Davis, David A - Custer  
DeVine, Karen - Britton  
Deadrick, Cindy R - Platte  
Dean, Justin C - Artesian  
DeLange, Dawn R - Sioux Falls  
Derby, Michael P - Rapid City  
Diebold, Rene K - Granite Falls, MN  
Domke, Scott A - Tulare  
Dogan, Jeffery T - Rapid City  
Dreyer, Brian E - Rapid City  
Dreyer, Clint M - Sioux Falls  
Dunlap, David R - Sioux Falls  
Dunlap, Julie A - Sioux Falls  
Ecklein, Ronald H - Salem

Edwards, Lanning L - Mitchell  
Eid, David R - Montevideo, MN  
Engen, Eunice - Sioux Falls  
Erickson, Leif R - Watertown  
Erickson, Tony P - Sioux Falls  
Ericson, Dann J - Harrisburg  
Evans, Cherish N - Sturgis  
Ewing, W. Scott - Spearfish  
Faber, Betty L - Harrisburg  
Faragher, Linda M - Aurora, CO  
Feenstra, Julie - Corsica  
Fenske, David A - Rapid City  
Ficek, Alvin T - Rapid City  
Fields, Craig D - Sioux Falls  
Fields, Douglas C - Sioux Falls  
Fink, Patricia E - Hill City  
Fitts, Cindy K - Brandon  
Fitzgerald, Barbara J - Madison  
Fleming, Jeremy J - Sioux Falls  
Foley, Michael G - Brandon  
Foss, Brian W - Huron  
Fox, Darwin L - De Smet  
Frederiksen, Pat J - Brookings  
Froning, Lori K - Brookings  
Galbraith, Rosella - Rapid City  
Gallentine, Shirley G - Rapid City  
Gilman, Darlene J - Watertown  
Girard, Marvin A - Wakonda  
Goodhope, Keith C - Winner  
Goth, Wesley D - Sioux Falls  
Grode, Jerry J - Sioux Falls  
Groseth, Carol A - Yankton  
Groseth, James L - Sioux Falls  
Gutierrez, Lisa M - Rapid City  
Hagen, Noreen E - Canistota  
Hager, Julie F - Rapid City  
Hahn, George H - Sioux Falls  
Haiar, Terry A - Alexandria  
Hall, Todd J - Rapid City  
Hammock, Dayle D - Sturgis  
Hancock, Ona J - Box Elder  
Hartman, Wilbur M - Hawarden, IA  
Hass, Lowell - Chester  
Hass, Sharyl - Chester  
Hassebrook, Kathleen A - Aberdeen  
Hauck, Jr., William E - Sioux Falls  
Hauk, Patricia K - Valley Springs  
Haywood, Polly L - Brookings  
Hegg, James L - Bruce  
Hendricks, Todd W - Rapid City  
Hewitt, Tyson J - Vale  
Hill, Dodee M - Rapid City  
Hillman, Ada "JoAnne" - Sioux Falls  
Hines, Brian P - Sioux Falls  
Hoffman, Andrew J - Atkinson, NE  
Hoffman, Gregory L - Mina  
Hoffman, Lila A - Wessington  
Springs  
Hoffman, Terrance B - North Sioux City  
Hogan, Mary Cecilia - Sioux Falls  
Horlock, Patricia S - Rapid City  
Hubner, Jodi L - Sioux Falls  
Humphreys, Carolyn K - Sioux Falls  
Hurley, Tamara F - Sioux Falls  
Iacino, Barbara J - Vermillion  
Ides, Edward H - Custer  
Ives, Marilyn A - Rapid City  
James, Kenneth D - Brookings

Jark, Val W - Stratford  
Jarman, Evangeline (Vangie)-Sioux Falls  
Jefferis, Christopher R - Sioux Falls  
Jensen, Molly J - Brookings  
Johnson, Amy R - Lead  
Johnson, Jodi L - Leawood, KS  
Johnson, Reed C - Sioux Falls  
Johnson, Stephen J - Sioux Falls  
Jones, Sterling M - Aberdeen  
Jonnes, Jill A - Sioux Falls  
Jungen, Travis E - Sioux Falls  
Karber, Brett A - Brandon  
Keil, Gene F - Belle Fourche  
Keiser, Charles H - Winner  
Kelley, Barbara J - Sioux Falls  
Kelly, Kyle J - North Sioux City  
Kelly, Richard M - Sioux Falls  
Kinstad, Lester A - Sioux Falls  
Klatt, Michael J - Sioux Falls  
Kloiber, Dorothy A - Sioux Falls  
Kontz, Andrew J - Sioux Falls  
Koscielski, Arthur G - Rapid City  
Kostenbauer, Tracy R - Rapid City  
Kosters, Rodney A - Selby  
Kracht, Steve - Mitchell  
Kruse, Joan E - Rapid City  
Kuck, Dawna R - Brookings  
Kuehl, Nicholas J - North Sioux City  
LaBarge, Joseph N - Yankton  
Lang, Audrey R - Rapid City  
Lang, Mickey R - Rapid City  
LaQua, Travis G - Sioux Falls  
Laskowski, William E - Lead  
Lawrence, Kathryn S - Keystone  
Leamy, Darrell J - Rapid City  
Leamy, Judith E - Rapid City  
Likness, Doreen M - Lead  
Linn, Jr., John J - Pierre  
Lloyd, Elizabeth T - Sioux Falls  
Lloyd, Patricia D - Sioux Falls  
Loukota, Gary W - Springfield  
Lovett, Deanna F - Sioux Falls  
Lowery, Crystal A - Wagner  
Ludeman, Kary D - Sioux Falls  
MacDonald, Olivia M - Aberdeen  
Mahler, Pamela J - North Sioux City  
Malott, Debbie A - Rapid City  
Mart, Carrie A - Vermillion  
Marx, Kristin - North Sioux City  
Mauszycki, Jr., Charles J - Mitchell  
McCann, Patrick K - Dimock  
McKnight, Holly A - Onida  
McPherson, Kevin D - Rapid City  
McPherson, Todd E - Rapid City  
Medema, Betty J - Sioux Falls  
Merrill, Donald L - Sioux Falls  
Middlen, Mary M - Sioux Falls  
Miller, Forrest T - Sioux Falls  
Miller, Walter D - Fort Pierre  
Moe, Keith G - Woonsocket  
Moes, Shannon T - Watertown  
Morgan, P. J. - Omaha, NE  
Mosset, Cathleen A - Hot Springs  
Munro, Scot E - Spearfish  
Murner, Scott A - Rapid City  
Nguyen, Huong T - Sioux Falls  
Nichifor, Lorana I - Sioux Falls  
Niemeyer, Michael L - Sioux Falls

Oberle, R. Craig - Mellette  
OConnor, Kristol R - Vermillion  
Ode, Thomas B - Brandon  
Odea, Jr., Kenneth E - Sergeant Bluff, IA  
Parham, Roger R - Sioux Falls  
Pearson, Jeffrey A - Madison  
Peotter, Kellie R - Spearfish  
Peterreins, Amber D - Sioux Falls  
Peters, Nicole A - Vermillion  
Peterson, Glen W - Springfield  
Pierce, Donald D - Dell Rapids  
Pierce, Lynn - Dell Rapids  
Pitts, Katherine J - Rapid City  
Poppenga, Sandra K - Davis  
Porter, Jewel A - Wilmot  
Potts, William H - Black Hawk  
Prochniak, Roger L - Sioux Falls  
Ribstein Newman, Rhonda R - Sioux Falls  
Rice, Anne M - Dell Rapids  
Ringling, Shirley R - Platte  
Riss, Paul L - Rapid City  
Rogers, Darrin J - Sioux Falls  
Ruiz, Laura Lynne - Sisters, OR  
Rust, Diane B - Sioux Falls  
Ruzicka, Charlene L - Valley Springs  
Sammeli, Dorinda C - Rapid City  
Scarlett, Stacey A - Rapid City  
Schaar, Paul L - Sioux Falls  
Schnabel, Wayne - Hartford  
Schoellerman, Katie A - Vermillion  
Schoffelman, Mavis A - Sioux Falls  
Schwab, Carl F - Andover  
Schweitzer, Connie L - Aberdeen  
Scoblic, James J - Sioux Falls  
Scoblic, Jeanne K - Sioux Falls  
Seaman, Judson R - Rapid City  
Sejnoha, Laurene D - Yankton  
Shottenkirk, Heath - Redfield  
Smith, Wendy S - Pierre  
Sohre, Tom N - Sioux Falls  
Sommer, Alois B - Hill City  
Sommervold, Brent L - Hartford  
Soukup, Stephanie J - Sioux Falls  
Sovell, Joseph M - Onida  
Spielmann, Daniel E - Dell Rapids  
Stalheim, Christopher W - Harrisburg  
Steffensen, Connie R - Arlington  
Stewart, Gary W - Rapid City  
Stoltenburg, Harold L - Piedmont  
Stout, Paul B - Sioux Falls  
Swanson, Joyce C - Canton  
Synsteliien, Donovan - Rapid City  
Teachout, L. Bryan - Piedmont  
Thomas, Timothy J - Chamberlain  
Thompson, Denise K - Rapid City  
Thompson, Stanley E - Yankton  
Thorkelson, Christopher J - Sioux Falls  
Thorpe, Penny L - Piedmont  
Thurman, Brent E - Sioux Falls  
Thurman, Troy S - Mission Hill  
Tidball, A. Joyce - Fort Pierre  
Toohey, Mark P - Sioux Falls  
Trygstad, Troy E - Sioux Falls  
Tunge, Daniel D - Sioux Falls Two  
Lance, Clare L - Pine Ridge  
Tysdal, Gail L - Spearfish

## Brokers/Broker Associates Cont.:

Ukkonen, Colleen A - Custer  
Uthe, Daniel D - Sioux Falls  
Valnes, Tony D - Sisseton  
Van Matre, Julie A - Harrisburg  
Vandever, W. Earl - Mitchell  
VanLiere, Dan D - Wentworth  
Viher, R. Jason - Rapid City  
Wall, Carl R - Rapid City  
Weems, Jim J - Sioux Falls  
Werner, Deborah J - Sioux Falls  
Westby, Rodney K - Rosholt  
Westphal, Dennis D - Sioux Falls  
Westra, Joel R - Beresford  
Whetham, Mike J - Winner

Wiese, Charles T - Sioux Falls  
Wiese, Rolland E - Sioux Falls  
Wilber, James J - Dell Rapids  
Williams, Trevor J - Rapid City  
Wilson, Dean M - Renner  
Wilson, Julie A - Sioux Falls  
Wood, Dwight M - Sioux Falls  
Woodford, Tammy A - Sioux Falls  
Wright, Patricia A - Rapid City  
Young, Beverly - Sioux Falls  
Zeeb, Paul - Sioux Falls  
Zweep, James E - Sioux Falls

## Residential Rental Agents:

Adams, Andrea M - Sioux Falls  
Eide, Mary - Sioux Falls

Elgersma, Renae - Sioux Falls  
Green, Carol - Sioux Falls  
Hawkey, Linda - Sioux Falls  
Lilya, Donald J - Rapid City  
Nelson, Diane - Sioux Falls  
Rehfeldt, Sharon D - Sioux Falls  
Reiter, Jill R - Sioux Falls  
Rupp, Kimberly K - Vermillion  
Van Hill, Stanley "Al" - Sioux Falls  
VanBockern, Tamara D - Canton  
Wagner, Tonya M - Sioux Falls

## Salespeople:

Aanenson, Debra F - Luverne, MN  
Gilbert, Denver - Gillette, WY  
Hansen, Lois L - Pipestone, MN  
Hirschman, Frederick J - Sioux City, IA

Keane, Thomas R - Sioux City, IA  
Keating, Tiffany E - Canby, MN  
Kjos, Sherry R - Sioux City, IA  
Mueller, Eric S - Omaha, NE  
Sandbulte, Melissa R - Luverne, MN  
Tollefson, Ryan - Luverne, MN

## Property Managers:

Brosman, Carolyn - Sturgis  
Byers, Norma - Spearfish  
Skinner, Lorri M - Sturgis  
Stojack, Linda - Gillette, WY

## Home Inspectors:

Reiff, Mark - Sioux Falls  
Gottschalk, Charles - New  
Underwood  
Meier, Curtis D - Rapid City

# Non-Renewals

The following licensees had not renewed their licenses as of February 11, 2005. Any license not renewed by the expiration date is canceled. If the license of an active firm or active qualifying broker is not renewed, all licenses hanging in that office must be returned to the Commission office. If your name appears on the list in error or you wish to reinstate the license, please contact the Commission office immediately.

## Active Auctioneers:

Dappen, Paul E, Piedmont

## Active Brokers:

Bisanz, Joseph F - Saint Paul, MN  
Cooper, Thomas J - Edina, MN  
De Yager, Kevin W - Peoria, AZ  
DeVine, Myles J - Britton  
Houge, Michael K - Burnsville, MN  
Jay, William M - Moberg  
Jerred, Clayton O - Gillette, WY  
Jerred, Donna - Gillette, WY  
Kutilek, Joseph H - Omaha, NE  
Mahoney, Charles E - Yankton  
Marvin, Terry W - Rapid City  
Natvig, David V - Kimball  
Olson, Robert J - Hill City  
Robison, Wayne - Brooklyn Park, MN  
Rovick, Arne - Edina, MN  
Schiller, Bo W - Minneapolis, MN  
Schomp, Joyce A - Chamberlain  
Sundbakken, Larry A - Minot, ND  
Teasdale, Harold - Marine on St. Croix, MN  
Weinberg, Steven L - Grand Junction, CO

## Active Broker Associates:

Kassis, Michael E - Rapid City  
Larson, Lenore E - Aberdeen  
Miller, Susan J - Charlotte, NC  
Olson, Rose A - Hill City  
Schmeichel, Dean O - Sioux Falls  
Taylor, Steven K - Sioux Falls

## Active Home Inspectors:

Armstrong, Edward P - Custer  
Cerney, Sr., Richard J - Mitchell  
Erickson, Roy D - Rapid City  
Erwin, Bradley J - Watertown  
Hanisch, Bradley J - Dell Rapids

Hanisch, Patrick L - Humboldt  
Johnson, Jay L - Geddes  
Kemper, David A - Sioux Falls  
Lorang, Raymond - Hartford  
Mardian, Clarence S - Sioux Falls  
Moore, David E - Rapid City  
Muller, Steven P - Harrisburg  
Murfield, Gary - Sioux Falls  
Palmlund, Leslie - De Smet  
Potter, James W - Sturgis  
Roos, Wade - Renner  
Schild, Bruce T - Yankton  
Simunek, Jerry - Worthing  
Van Leuven, Paul C - Rapid City  
Yost, Curtis J - Sioux Falls

## Active Property Managers:

Duerksen, Arthur J - Mount Vernon  
Limmer, Dan R - Lake Norden

## Active Residential Rental Agents:

Clites, Chad A - Yankton  
Erdmann, Charlotte M - Aberdeen  
Pardy, Michele M - Howard

## Active Salespeople:

Amundson, Karine L - Vermillion  
Babcock, Scott R - Omaha, NE  
Becker, Lorinda J - Bismarck, ND  
Beougher, Deanna K - Whiting, IA  
Brothers, Sharon - Gillette, WY  
Budahl, Robert A - Minneapolis, MN  
Butler, Deborah S - Sioux City, IA  
Christianson, Jay T - Canby, MN  
Coash, Donald D - Bassett, NE  
Cota, Raymond P - Sioux City, IA  
Dappen, Paul E - Gregory  
Dodson, Bruce A - North Platte, NE  
Duerksen, Arthur J - Mount Vernon

Hossle, Dwight D - Faulkton  
Jensen, Larry - Lincoln, NE  
Moffitt, Catherine J - Pipestone, MN  
Smith, Kebi R - Olive, MT  
Van Houten, Marvin D - Rushville, NE  
Walsh, Samuel R - Sioux City, IA

## Inactive Auctioneer:

Bush, Charles "John" - Piedmont

## Inactive Brokers:

Allen, Joseph D - Sioux City, IA  
Bendorf, Peter J - Beresford  
Cumberlin, Charles E - Brush, CO  
Glasford, Tara L - Sioux Falls, SD  
Helgeland, Lloyd E - Sioux Falls  
Liebe, Wilma A - Milbank  
Matthes, Loy - Cheyenne, WY  
Mycka, Robert E - San Diego, CA  
Odenbach, Scott J - Tallahassee, FL  
Remund, Jerry L - Pipestone, MN  
Stuerman, Jeanne M - Independence, IA  
Ten Broek, Garret B - Moberg  
Wahl, Jeffrey D - Sioux Falls  
Williams, Robert S - Elmendorf AFB, AK

## Inactive Broker Associates:

Bour, Anthony W - Sioux Falls  
Cameron, T.J. - Sioux Falls  
Christensen, Sr., Vern K - Sioux Falls  
Edgington, Vicki D - Post Falls, ID  
Hendriks, Victor V - Jefferson  
Kane, Michele L - Sioux Falls  
Makor, Sammy A - Box Elder  
Meyer, Jeffrey D - Sioux Falls  
Ness, Jerry L - Mitchell  
Pals, Steven C - Orange City, IA  
Pickett, Keith A - Whitewood

Pinkham, Judith E - Canistota  
Schad, Courtney A - Rapid City  
Singleton, Connie S - Siloam Springs, AR  
Van Leeuwen, Cynthia J - Gilbert, AZ  
West, Aaron K - Yucca Valley, CA  
Wilkinson, Rhonda R - Sioux Falls  
Wilson, Terrie L - Rapid City  
Woldt, David A - Sioux Falls  
Wolf, Patricia A - Osceola, IA  
Wriston, Theresa A - North Las Vegas, NV

## Inactive Home Inspectors:

Bailey, Mark A - Ponca, NE  
Bjerke, Jacqueline K - Brookings  
Eliason, Paul F - Sioux Falls  
Hayman, Paul W - Rapid City  
O Grady, Robert W - Tyndall  
Thompson, Dan M - Sioux Falls  
Van Ekeren, Joel - Harrisburg

## Inactive Property Managers:

Maher, Terry J - Sioux Falls  
Swier, David A - Brandon

## Inactive Residential Rental Agents:

Bailey, Robyn L - Spearfish  
Bertsch, Amy A - Yankton  
Bornitz, Connie J - Yankton





**Inactive Residential Rental Agents  
Cont.:**

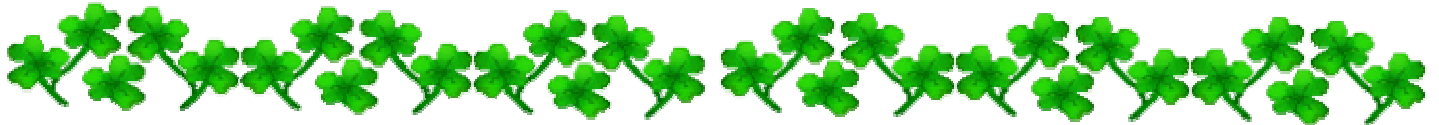
Brekhus, Lana L - Rapid City  
Disbrow, Beverly A - Madison  
Hofer, Martha L - Sioux Falls  
Johnson, Kaylin Douglas - Sioux Falls  
Jones, Barbara A - Brandon  
Lasnetski, Penny J - Watertown  
Lutz, Connie J - Sioux Falls  
Mortenson, Carri - Sioux Falls  
Perlick, Valeree C - Rapid City  
Sabag, Darlene F - Trent  
Settergren, Amy M - Watertown  
Tran, Lori A - Canton  
Tunell, Ellen J - Sioux Falls  
Wolf, Lisa A - Fort Walton Beach, FL

**Inactive Salespeople:**

Armstrong, Kristi J - Sioux City, IA  
Atkinson, Robert D - Lead  
Berven, Douglas C - Sioux Falls  
Bobzin, Jane - Yankton  
Boelter, James K - Sioux Falls  
Bouma, Timothy R - Fort Defiance, AZ  
Brosky, Bernadette S - Vilonia, AR  
Brower, Daniel J - South Sioux City, NE  
Buhr, John - Colman  
Burggraff, Josh B - Colton  
Callies, Byron I - Watertown  
Carrico, William C - Lead  
Chance, Blake A - Elkhorn, NE  
Clark, Michael F - Rapid City  
Conover, Dawn L - South Sioux City, NE

Davey, Laura G - Rapid City  
Doering, Penny R - Spearfish  
Ferris, Susan M - Sioux City, IA  
Flinn, Jack M - Sioux Falls  
Ford, Jr., Joe B - Nemo  
Foster, Marjorie M - Custer  
Frisk, Deborah L - Rapid City  
Fuss, Deborah D - Chandler, AZ  
Good, Matthew P - Sioux Falls  
Graczyk, Laura A - Deadwood  
Gramberg, Michaelle L - Rapid City  
Hamblin, Camille S - Henderson, NV  
Hanke, Sheryl A - Pierre  
Hayes, Kristi J - Spearfish  
Healy, Sheila - Sioux Falls  
Holzwarth, Neil W - Hill City  
Hornstra, Eugene F - Yankton  
Horstman, Russell D - Sioux Falls  
Houge, Brenda M - Huron  
Johnson, James M - Sioux Falls  
Johnson, Karen E - Sioux Falls  
Jordan, Christina L - O Fallon, IL  
Karbowski, Kendra S - Sioux Falls  
Kirby, Tamara A - Sioux Falls  
Kissack, Lorraine I - Belle Fourche  
Krog, Kathy R - Tea  
Kruse, Gary D - Hot Springs  
Lee, Darin C - Rapid City  
Levers, Sherri L - South Sioux City, NE  
Limmer, Dan R - Lake Norden  
Lindwurm, Esther I - Burke  
Ludens, Catherine C - Rapid City  
Martinez, Julie D - Rapid City

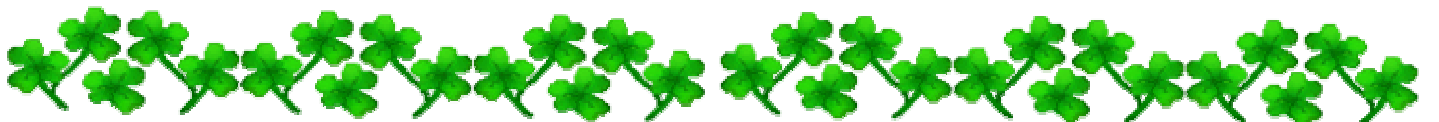
Meyer, Roxann K - Rapid City  
Meyer, Willard S - Sturgis  
Moeller, Nicholas H - Watertown  
Montis, Kaylynn - Sioux Falls  
Mowrer, Kenneth E - Rapid City  
Nichol, David M - Yankton  
Olson, Thomas C - Sioux Falls  
ONeal, Lanny L - Brandon  
Paulsen Sauser, Lori J - Rapid City  
Petersen, David J. W. - Sioux Falls  
Peterson, Bruce D - Sioux Falls  
Peterson, Gregory G - Sioux Falls  
Peterson, Robert M - Sioux Falls  
Phillips, Stacey R - Sioux Falls  
Roetzel, Robert A - Sioux Falls  
Schomp, Judd W - Chamberlain  
Sidnenko, Irina - Sioux Falls  
Soehl, Tammi M - Sioux Falls  
Soltesz, Tana L - Piedmont  
Stein, James C - Sioux City, IA  
Swanson, Ron M - Fargo, ND  
Thill, Bradley J - Sioux Falls  
Trusov, Alex - Sioux Falls  
Tucker, Donavon L - Rapid City  
Volz, Imogene M - Rapid City  
Von Seggern, Marianne - Sioux Falls  
VonAswege, Douglas K - North Sioux City  
Waterman, Melinda L - Jefferson  
West, Rocky D - Yucca Valley, CA  
Westra, Julie A - Sioux Falls  
Whites, Gloria J - Rapid City  
Wosje, David R - Mitchell



## *Irish Blessing*

*May You Always Have Walls for the Winds  
A Roof for the Rain, Tea Beside the Fire  
Laughter to Cheer You, Those You Love Near You  
And All Your Heart Might Desire*

*HAPPY ST. PATRICK'S DAY*



# APPRAISER UPDATE

This section of the South Dakota Real Estate Review is the responsibility of the South Dakota Department of Revenue and Regulation Appraiser Certification Program. Articles are printed here to communicate pertinent information to those appraisers who receive this newsletter and are licensed under the Certification Program. Appraiser certification inquiries can be directed to Sherry Bren, Program Administrator, 445 E. Capitol, Pierre, SD 57501, 605-773-4608.

## Appraiser Certification Program Mission – Purpose – Intent

The Appraiser Certification Program was implemented July 1, 1990, pursuant to enactment of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) by Congress. The mission of the Program is to certify, license and register appraisers to perform real estate appraisals in the state of South Dakota pursuant to Title XI (FIRREA). The purpose of the Program is to examine candidates, issue certificates, investigate and administer disciplinary actions to persons in violation of the rules, statutes and uniform standards, and approve qualifying and continuing education courses. Title XI intends that States supervise all of the activities and practices of persons who are certified or licensed to perform real estate appraisals through effective regulation, supervision and discipline to assure their professional competence.

## Appraiser Certification Program Advisory Council

Council members provide recommendations to the Secretary of the Department of Revenue and Regulation in the areas of program administration in order to sustain a program that is consistent with Title XI. The Council meets quarterly in public forum. See the Website for meeting information. [www.state.sd.us/appraisers](http://www.state.sd.us/appraisers)

## Advisory Council Vacancy

The Department of Revenue and Regulation is seeking an institutional staff appraiser to replace the staff appraiser from Farm Credit Services of America on the Appraiser Certification Program

Advisory Council. The position represents the institutional staff appraiser's interest on the Council.

If you are interested in nominating yourself or another appraiser for the appointment to the Advisory Council, please submit your nomination in writing to the Department of Revenue and Regulation, Appraiser Certification Program, 445 East Capitol Avenue, Pierre, SD 57501-3185 **no later than March 15, 2005.**

The nomination should include the appraiser's name, address, appraiser title, where the appraiser is currently on staff, and the reason that you believe you or the person you have nominated should be appointed to the Advisory Council. Any person nominated for the position should possess substantial knowledge regarding appraising, a reasonable understanding of Title XI FIRREA and its impact on the appraiser profession, and be highly respected in the appraiser industry.

**Please send the nominations to the Department no later than March 15, 2005. If you have any questions, please feel free to contact Sherry Bren at 773-4608.**

## Notice of Public Hearing to Adopt Rule

A public hearing will be held at the Anderson Building at 445 East Capitol Avenue, Basement Conference Room E & W, Pierre, South Dakota, on March 29, 2005, at 9:00 a.m., to consider the

amendment of ARSD 20:14:06:01. The effect of the amendment will be to require an appraisal to conform to the Uniform Standards of Professional Appraisal Practice, 2005 Edition. The reason for the amendment is to insure that appraisals conform to the latest professional standards. For information, contact: Department of Revenue & Regulation, Legal Division/Rules, 445 E. Capitol Ave., Pierre, SD 57501-3185.

For the period January 1, 2003 through December 31, 2003 there have been seven (7) upgrade applications, three new applications claiming experience, and five complaints submitted to the Appraiser Certification Program. Upgrade: Five (5) upgrades have been issued and two (2) upgrades are pending. New applicants claiming experience: Three new certificates have been issued. Complaints: Two (2) complaints are pending and three (3) complaints were disposed of by settlement agreement. (The complaints were filed by an attorney, an appraiser, anonymous, and two consumers.)

## Key Features of the 2005 Uniform Standards of Professional Appraisal Practice (USPAP) And Advisory Opinions

Definitions: The definition of APPRAISAL REVIEW was edited to clarify that appraisal review applies only to the work of another appraiser in an appraisal, appraisal review, or appraisal consulting assignment.

Definitions: The definition of CASH FLOW ANALYSIS was deleted because the term is not used in USPAP.

Definitions: The Comment in the definition of REPORT was edited to delete the reference to the three types of reports. The list was incomplete and was unnecessary.

Standards, Statements on Appraisal Standards, and Advisory Opinions: Edits were made throughout the document regarding the term “purpose,” due to its varied intended meanings. The edits result in more accurate language, including use of the terms “type and definition of value,” “intended use,” and “problem to be solved.”

Citation of Source for Value Definition: Language was added to clarify the requirements for reports to include citation of the source of the value definition used.

Standards Rules 1-3(b) and 6-2(k): Edits were made to remove the requirement to always value land as if vacant and available for development in accordance with its highest and best use, as this is considered methodology and not a part of standards.

Standards Rules 2-1, 2-2, 3-2, 5-1, 5-2, 6-7, 8-1, 8-2, 10-1, 10-2, and STATEMENT ON APPRAISAL STANDARDS NO. 10 (SMT-10): New language requires “clear and conspicuous” disclosure of extraordinary assumptions and hypothetical conditions rather than disclosure “in conjunction with” each opinion or conclusion. Language was deleted requiring the appraiser to indicate the “impact on value” of an extraordinary assumption or hypothetical condition and was replaced with language requiring disclosure that use of the extraordinary assumption or hypothetical condition might have affected the assignment results.

Standards Rules 2-2, 6-7, 8-2 and 10-2: Edits were made to clarify reporting requirements for reconciliation.

Standards Rules 2-3, 5-3, 6-8, 8-3 and 10-3: Edits were made to the requirements for certification when multiple disciplines are involved in an assignment. These changes are designed to clarify an appraiser’s responsibility in an assignment.

STANDARD 3: Edits were made to clarify that appraisal review applies only to the work of another appraiser in an appraisal, appraisal review, or appraisal consulting assignment.

STATEMENT ON APPRAISAL STANDARDS NO. 6 (SMT-6): The requirement to report exposure time was deleted from SMT-6. This was done because disclosure of exposure time is not necessary for all assignments. This change does not affect the requirement for the appraiser to develop an estimate of exposure time in market value assignments.

STATEMENT ON APPRAISAL STANDARDS NO. 7 (SMT-7): Edits were made to more accurately address levels of reliability. The previous language incorrectly stated that a Complete Appraisal is always more reliable than a Limited Appraisal.

Advisory Opinion 6 (AO-6): AO-6, The Appraisal Review Function, was retired as more recent guidance has been issued by the Appraisal Standards Board, including AO-20, the newly revised AO-21, and Frequently Asked Questions.

Advisory Opinion 21 (AO-21): AO-21 was re-titled “USPAP Compliance” and has been revised with the intent of providing greater clarity as to an appraiser’s obligation for complying with USPAP.

NOTE: A new topical index was added, and administrative edits were made to appropriate sections of the document to improve consistency. In addition, edits were made where appropriate throughout the document for conformity with the changes approved or adopted on July 15, 2004.

### ***USPAP Q & A***

Vol. 6, No. 12, December 2004

Question #1: I have been asked to perform an appraisal that complies with USPAP and with valuation standards from an international appraisal organization. If my appraisal complies with USPAP, will it “automatically” comply with other valuation standards as well?

Question #2: I have been asked to perform an appraisal involving proposed improvements. The client has indicated that plans and specs have not been finalized. Does USPAP require me to review the plans and specifications prior to completing this assignment?

Question #3: If two appraisers sign an appraisal report, what are the obligations related to record keeping?

Specifically, must both appraisers keep a copy of the workfile?

Vol. 7, No. 1, January 2005

Question #1: Why was language in STATEMENT No. 6 related to the reporting of exposure time deleted from USPAP?

Appraising Land – Question: I am appraising a property improved with an apartment complex, but have found that the land is zoned for commercial use. My research indicates that such commercial land would have a value different from that of apartment land, but still far less than the current total value of the apartment complex. According to USPAP, how should I value the land?

Type and Definition of Value, and Citation of Source – Question: USPAP requires appraisal reports to identify the type and definition of value and cite the source of the definition. What is the “type of value?” Why is this no longer referred to as the “purpose” of the assignment? What sources can be used to comply with the requirement to cite the source of the definition of value?

Reporting Use of Extraordinary Assumptions and Hypothetical Conditions – Question: What are the USPAP reporting requirements relating to the use of extraordinary assumptions and hypothetical conditions in an appraisal assignment?

Answers to the above questions can be found at:

[www.appraisalfoundation.org](http://www.appraisalfoundation.org)

## **New Licensees – December/January**

Jerome J. Pisney, State-Certified  
Residential - Lake City, MN  
Nicholas Rhoads, State-Registered -  
Spearfish, SD  
Ryon P. Rypkema, State-Registered -  
Piedmont, SD  
Mary Beth Ripley, State-Registered -  
Lake City, MN  
Keith M. Thompson, State-Registered -  
Rapid City, SD  
Max W. Evans, State-Certified General -  
W Des Moines, IA  
Chris A. Laughlin, State-Registered -  
Brandon, SD



### New Licensees Cont.:

Jonathan R. Hatch, State-Registered -  
Yankton, SD

Timothy M. Lalim, State-Registered -  
Watertown, SD

## Review of Cases as of December 31, 2004

For the period January 1, 2004 through December 31, 2004 there have been 14 upgrade applications, one (1) new application claiming experience, two (2) Department initiated complaints, and 12 complaints submitted to the Department.

Upgrades – 9 upgrades issued; three (3) pending agreed dispositions; and two (2) cases pending.

New Applications – 1 pending agreed disposition.

Complaints – 5 settled by agreement; four (4) dismissed; and three (3) pending.

Department Initiated Complaints – 1 pending deadline to appeal and 1 final order issued.

## Disciplinary Action

The Appraiser Certification Program publishes disciplinary action involving revocation and suspension of a certificate and denial of an application involving unprofessional conduct. The following disciplinary action has been taken by the Appraiser Certification Program:

John J. Lacey, Sioux City, Iowa. The Department of Revenue and Regulation issued a Final Order revoking John J. Lacey's State-Certified Residential Appraiser Certificate for violations of ARSD 20:14:11:03(2) and 20:14:11:03(4).

## Maintaining an Education File

The Department recommends that each appraiser registered, licensed or certified maintain an "education" file for appraisal course attendance verification for courses taken to renew the appraiser certificate. It is much easier to maintain the "education" file than to have to contact education providers for the documents when it is time to renew the certificate.

Remember, only the 7-hour National USPAP Update Course will be accepted for the USPAP continuing education requirement.

## From the Examiner's Desk... A Focus on the Appraiser Referral Process

[The following excerpt is reprinted with permission of the Federal Deposit Insurance Corporation (FDIC). The article appears in its entirety in the Winter

2004 edition of Supervisory Insights, a journal published by the FDIC's Division of Supervision and Consumer Protection, & may be read on the FDIC's Web site at <http://www.fdic.gov/regulations/examinations/supervisory/insights/siwin04/index.html>.]

### When an Appraiser Referral Should be Made

An examiner makes a referral to a state appraiser agency when an appraiser is involved in ethical violations or the appraisal does not comply with the procedures in the Uniform Standards of Professional Appraisal Practice (USPAP). The USPAP, the generally accepted standards for professional appraisal practice in North America, is referenced in Title XI, the appraisal regulations implemented by the federal banking agencies, and state laws as the source for appraisal standards. Table 1 summarizes situations that typically prompt a referral to a state appraiser agency.

The information in Table 1 is not all-inclusive. A referral also should be considered when an appraiser's failure to use standard appraisal methodology in compliance with the USPAP could reasonably be expected to result in a state disciplinary action. It is important to note that not all mistakes or inadequate documentation require a referral. Common typographical and clerical errors that do not affect the assigned value of the property should not be referred unless a pattern or practice of exceptions on a number of appraisals is identified.

Table 1.

Situations That Typically Result in a Referral	
The appraiser...	Example
"Readdresses" an appraisal <sup>1</sup>	Conceals that the original client was the loan applicant
Accepts a contingent fee	Accepts a fee contingent on the appraisal obtaining a predetermined value
Inaccurately describes improvements	Overstates square footage and number of rooms
Misrepresents the condition of property	States that the property is in good condition when major repairs are needed
Fails to disclose extraordinary assumptions and hypothetical conditions	Does not disclose that the estimated value depends on obtaining a change in zoning

Situations That Typically Result in a Referral	
Presents faulty analysis	Uses appraisal methodology applicable for higher valued owner-occupied condos when the property is rental apartment units
Omits relevant information	Fails to disclose that a number of new office building permits have been issued that would adversely affect the absorption of the proposed office building
Includes misleading information	In the case of a property that requires a zoning change, appraisal describes the current political environment as favorable when it is probable the incumbent zoning officials will be replaced by anti-growth candidates
Includes a series of material technical errors that will affect the credibility of the valuation	Appraisal includes multiple errors that there is no way to conclude that valuation is realistic
Fails to follow the supplemental appraisal standards contained in the agencies' appraisal regulation <sup>2</sup>	Reports the sum of retail values of units for a tract development project as representing the market value of the whole property

<sup>1</sup> To readdress is to alter references to the original client to mislead the reader about who originally engaged the appraiser.

<sup>2</sup> Statement on Appraisal Standards No. 10, FIL-20-2001, March 7, 2001, <http://www.fdic.gov/news/news/financial/2001/fil0120.html>.